



Department of Defense INSTRUCTION

NUMBER 2110.31

April 10, 1967

Administrative Reissuance Incorporating Through Change 2

SUBJECT: Contributions by Foreign Governments for Administrative and Operating Expenses of Military Assistance Programs

- References:
- (a) Foreign Assistance Act of 1961, as amended.
 - (b) [DoD Directive 5132.3](#), "Department of Defense Policy and Responsibilities Regarding Military Assistance," July 8, 1963
 - (c) Military Assistance Manual, December 15, 1962
 - (d) DoD Directive 5118.3, "Assistant Secretary of Defense (Comptroller)," January 24, 1966
 - (e) DoD Instruction 7360.9, "Use of United States-Owned Foreign Currencies," March 6, 1970
 - (f) Executive Order No. 10973, "Administration of Foreign Assistance and Related Functions," November 3, 1961
 - (g) DoD Instruction 2110.31, "Contributions by Foreign Governments for Administrative and Operating Expenses of Military Assistance Programs," April 2, 1962 (canceled herein)

1. AUTHORITY AND PURPOSE

1.1. This Instruction is issued under authority delegated to the Assistant Secretary of Defense (International Security Affairs) in reference (b), and the authority of the Assistant Secretary of Defense (Comptroller), reference (d). It implements references (a) and (f).

1.2. It prescribes policies and procedures for acquiring, using, accounting, and reporting for currencies and assistance-in-kind contributed by foreign governments for administrative and operating expenses of the Military Assistance Program. Reference (g) is hereby canceled.

2. APPLICABILITY

The provisions of this Instruction apply to all activities of the Department of Defense which budget and account for expenses eligible for offset by currencies and assistance-in-kind contributed by foreign governments for MAP support.

3. DEFINITIONS

See enclosure 1.

4. SCOPE

To the extent authorized by military assistance bilateral agreements, contributed currencies are requested from foreign governments to offset obligations established for expenses listed in section 7. below, including but not limited to, administrative expenses, State Department support expenses, training support, and other operational expenses of MAAGs and/or other organizational elements of U.S. military commands, when the expenses are directly related to the execution of the military assistance programs for the countries benefited. These expenses are proper for offset by contributed currencies regardless of the U.S. appropriation obligated.

5. POLICY

5.1. Offset U.S. Government administrative and operating expenses of the Military Assistance Program to the maximum extent feasible by contributed currency and assistance-in-kind from the host country.

5.2. Encourage countries which cannot provide the full amount of contributed currencies required to make the maximum contribution in assistance-in-kind.

6. RESPONSIBILITIES

6.1. Each Military Department:

6.1.1. Issues implementing budgeting, accounting, and reporting instructions to all its activities not under Unified Command jurisdiction, consistent with this Instruction and those of the Unified Command concerned.

6.1.2. Consolidates and transmits to each appropriate Unified Command the annual estimates, by country, of those U.S. Government administrative expenses eligible for offset by contributed currency for (a) its activities located overseas but not under Unified Command jurisdiction and (b) its commands and activities located in the United States, normally prior to the beginning of the host country's fiscal year.

6.1.3. Reports to the Unified Commands the amounts of appropriated fund obligations eligible for offset by contributed currency, by country.

6.1.4. Provides, when so requested by the Unified Command, reproductions of various vouchers representing the types of U.S. Government expenses which have been included in the obligation data furnished to the Unified Command.

6.2. Each Unified Command:

6.2.1. Issues implementing budgeting, accounting, and reporting instructions to all activities under its jurisdiction, consistent with this Instruction.

6.2.2. Consolidates estimates and obligations, by country, of those U.S. Government administrative expenses eligible for offset by contributed currency as submitted in accordance with the instructions of the Military Departments as well as from all appropriate activities within its command, including each MAAG.

6.2.3. Submits the consolidated estimate or report of obligations eligible for offset by contributed currency from each host country through the applicable MAAG to the U.S. Embassy concerned.

6.2.4. Assures maximum utilization of contributed currencies.

6.3. Each MAAG, or command performing a residual MAP function, in accordance with Unified Command instructions:

6.3.1. Submits to its Unified Command an annual estimate of obligations eligible for offset by contributed currency.

6.3.2. Maintains records of obligations eligible for offset by contributed currency.

6.3.3. Reports to the Unified Command the obligations eligible for offset by contributed currency.

6.3.4. Submits the annual consolidated estimate, without change, to the U.S. Embassy.

6.3.5. Advises the Unified Command of the amount of contributed currency the host country either has contributed or agreed to contribute, segregated to show that portion of the contribution the U.S. Embassy considers applicable to DoD obligations and that applicable to MAAG Shared Support costs.

6.4. Each military component under a Unified Command, in accordance with Unified Command instructions:

6.4.1. Submits to the Unified Command an annual estimate, of obligations eligible for offset by contributed currency.

6.4.2. Maintains records or obligations eligible for offset by contributed currency as applicable to each MAAG.

6.4.3. Reports to the Unified Command the obligations eligible for offset by contributed currency applicable to each MAAG.

6.5. Each military component not under a Unified Command, in accordance with its Military Department instructions:

6.5.1. Submits to the Military Department an annual estimate of obligations eligible for offset against contributed currency applicable to each MAAG.

6.5.2. Maintains records of obligations eligible for offset against contributed currency applicable to each MAAG.

6.5.3. Reports to the Military Department the obligations eligible for offset against contributed currency applicable to each MAAG.

6.6. The Chief of the Diplomatic Mission (U.S. Embassy):

6.6.1. Adds that portion of the U.S. Embassy/State Shared Support obligations attributable to the MAAG to the amount representing the DoD obligations as determined by the Unified Command and passed through the MAAG to the U.S. Embassy.

6.6.2. Determines the total amount of contributed currency and assistance-in-kind estimate (DoD and State shared) to be requested of the host country.

6.6.3. Negotiates with the host country to obtain maximum contributions of currency and assistance-in-kind eligible for offset against U.S. Government administrative expenses.

7. OBLIGATIONS ELIGIBLE FOR OFFSET BY CONTRIBUTED CURRENCIES

7.1. Estimates and obligation reports of contributed currency requirements submitted by the MAAG to the U.S. Embassy include all obligations sanctioned by, and eligible under the military assistance bilateral agreement, whether or not the country has been making contributions equal to these obligations. Under exceptional conditions, Unified Commands may request the Deputy Assistant Secretary of Defense (Military Assistance and Sales), OASD(ISA) for an exemption from the requirement to submit a request to a specific country for contributed currency. The DMA coordinates such requests with the ASD/Comptroller and the Department of State and informs the Unified Command of the joint State-Defense decision.

7.2. Estimated requirements for contributed currency and reported obligations must include but are not limited to the following:

7.2.1. Station allowances for United States military personnel (as provided in the Joint Travel Regulations), and post and quarters allowances of United States civilian employees (as prescribed in appropriate regulations). Expenses of all personnel assigned to Department headquarters are excluded.

7.2.2. Permanent change of station costs of assigning United States military and civilian personnel from and to a MAAG, or similar military assistance activity. These costs include travel and transportation of personnel and their dependents, packing, handling, crating, transportation, and port handling costs of personal and household effects and privately owned vehicles. Costs for privately owned vehicles and household goods are limited to those normally chargeable to permanent change or station costs for U.S. personnel.

7.2.3. Salaries and temporary duty costs of foreign national employees.

7.2.4. Support of MAAG assigned aircraft and motor vehicles.

7.2.5. Per diem and travel for members of Unified Command headquarters, appropriate components or military commands, and other activities when related to military assistance business or the country concerned.

7.2.6. Dislocation allowances on PCS from and to MAAG assignment.

7.2.7. Dependent education costs for military and civilian personnel.

7.2.8. Per diem of crews ferrying passengers on MAP business.

7.2.9. Offshore procurement administrative and other operating costs.

7.2.10. Military proficiency training relating to MAP assignments.

7.2.11. All TDY and PCS travel by commercial means, MAC, and MSTs, including authorized emergency leave.

7.2.12. Medical and dental care of U.S. military and civilian personnel, including dependents, and TDY for administratively required examinations.

7.2.13. Individual equipment issued to U.S. personnel due to peculiar requirements of the MAP.

7.2.14. Morale and welfare costs related to MAP assignment.

7.2.15. Pro-rata share of cost of activities, supported by military functions appropriations, such as finance facilities, commissaries, postal services, hospitals, communication facilities, and others. (Exclude pay and basic allowances of U.S. military and civilian personnel in computing costs.)

7.2.16. Post, station, and temporary lodging allowances or military assistance assigned personnel paid from military functions appropriations in addition to those charged to military assistance funds.

7.2.17. Initial and maintenance civilian clothing allowances of enlisted personnel who are required to wear civilian outer clothing during the performance of duty.

7.2.18. Other administrative expenses, when practicable. Examples: communications, rental of space, purchase of equipment, printing and reproduction, contractual services, and supplies and materials.

7.3. US military and civilian personnel salaries and basic allowances are not eligible for inclusion as a cost for which contributed currency should be requested. The costs of military sales promotion are similarly excluded.

8. FINANCIAL PROCEDURES

8.1. Budgeting and Funding

8.1.1. Annual contributed currency budget estimates for presentation to a host country are developed according to the procedures prescribed by the Unified Commands and the Military Departments.

8.1.2. To assure consideration of all eligible requirements, all activities within the Unified Command, including the MAAG, develop estimates of requirements, by country.

8.1.3. The Unified Command consolidates, by country, estimates of DoD contributed currency requirements submitted by local activities, appropriate component or military commands, and the Military Departments. The consolidated estimate for each country is forwarded through the appropriate MAAG to the U.S. Embassy for presentation to the country.

8.1.4. At the close of the host country's fiscal year, the Unified Command compares the DoD obligation data accumulated by country, for the same period of time, against the amount of contributed currency made available by the host country during its fiscal year. If the accumulated obligations are less than the amount contributed by the host country, the Unified Command, through the MAAG, advises the U.S. Embassy that an excess amount has been contributed and that this amount should be deducted from the Unified Command estimate of its contributed currency requirements for the subsequent period. If the converse occurs, the Unified Command should advise the U.S. Embassy that the Unified Command estimate is less than it should be and to adjust the estimate upward in an amount equal to the difference between the host country's contribution and the DoD obligations. Responsibility for making this adjustment is vested in the U.S. Embassy.

8.1.5. Assistance-in-kind estimates are prepared and reported to the Director of Military Assistance in accordance with the instructions set forth in chapter 6, section C, part II of reference (c).

8.2. Accounting

8.2.1. Accounting procedures issued by Unified Commands and Military Departments to all activities incurring obligations eligible for offset by contributed

currencies must be designed to:

8.2.1.1. Provide necessary controls of properly chargeable expenses for which the United States is entitled to reimbursement.

8.2.1.2. Permit summarization of transactions to provide current data and accurate and timely budgets and reports, both for United States officials and the host countries concerned.

8.2.1.3. Facilitate acquisition of local currencies from host countries.

8.2.2. Accounts prescribed to accumulate obligations data on expenses eligible for offset by contributed currencies need not be separately identifiable in fund status reports required at Departmental level. Adequate subsidiary or memorandum records must be maintained, however, to fulfill the requirements in 8.2.1., above.

8.3. Reporting

8.3.1. Reports of obligations eligible for offset by contributed currencies are due in Unified Command headquarters thirty days after the end of each fiscal quarter, in an original and one copy, unless the Unified Command advises to the contrary. Normally, instructions issued by Unified Commands and Military Departments must require reporting activities to submit their reports in time to enable Unified Commands to receive them within the prescribed thirty days.

8.3.2. Reporting activities must furnish the following information:

8.3.2.1 Country for which obligations have been incurred.

8.3.2.2 Appropriation obligated.

8.3.2.3 Fiscal project.

8.3.2.4 Object class.

8.3.2.5. Cumulative obligations incurred, fiscal year to date.

8.3.3. Military sales promotion obligations will not be included in these reports.

9. ACQUISITION OF CONTRIBUTED CURRENCIES AND

ASSISTANCE-IN-KIND

9.1. Currency contributed by the host country is purchased from the U.S. Treasury with dollar appropriations as required by Section 1415 of the Supplemental Appropriation Act of 15 July 1952 (P.L. 547, 82nd Congress, 31 U.S.C. 724). Contributed currency acquired from the host government is deposited with the U.S. Disbursing Officer for credit to the foreign currency sales account, unless the bilateral agreement with a country specifically restricts such transfer. The transferred amount loses its identity as contributed currency and is available for general sales by the USDO as is any other form of local currency. When a MAAG requires local currency, the military disbursing officer purchases it from the general sales account of the USDO. If a bilateral agreement prohibits making the contributed currency available for general sales, the military disbursing officer purchases the currency with U.S. dollars from the restricted foreign currency account as it is needed to pay for eligible expenses.

9.2. When consistent with existing bilateral agreements, assistance-in-kind provided a U.S. Military Agency may be made available to any other U.S. Military Agency if it is to be used for:

9.2.1. Direct support of a MAAG operation, or

9.2.2. Other operating overhead support when all MAP requirements have been fully satisfied.

10. USE OF MAC AND MSTs FOR MILITARY ASSISTANCE PROGRAM BUSINESS

10.1. MAC and MSTs are utilized by all military assistance activities for travel of DoD Personnel and transportation of personal effects when these carriers serve the area concerned and accommodations can be reserved for scheduled travel, except under conditions outlined in paragraph 10.2., below. When the area concerned is not served by MAC or MSTs, use of commercial transportation facilities is authorized. When available in time to carry out the purpose of the travel, the use of U.S. flag commercial carriers is mandatory, except where travel on foreign flag carriers is provided in accordance with paragraph 10.2.3., below. Travel on commercial facilities is at the authorized class of accommodations prescribed for other personnel of the Department of Defense, which is normally economy class.

10.2. The use of MAC/MSTs is required in travel orders for all persons who

travel on military assistance business, in accordance with the policy in paragraph 10.1., above, unless:

10.2.1. Either of these Agencies is unable to provide the required transportation in time to carry out the purpose of the travel.

10.2.2. The use of U.S. flag commercial transportation results in a lower over-all cost to the U.S. Government. In arriving at the lower over-all cost, the following considerations must be resolved:

10.2.2.1. From or to a point not served by Government transportation (MAC/MSTS), compare the combined cost of commercial and Government transportation with the cost of all commercial transportation on the direct route. Take into consideration lower cost Category Z rated where applicable.

10.2.2.2. Compare family or group rates on commercial carriers with the total cost of moving the same families or groups on MAC/MSTS.

10.2.3. The host country agreement provides that transportation of personnel and their effects be furnished as assistance-in-kind, using facilities specified by the host country.


10.3. In foreign countries where contributed currencies are not available, but excess and near-excess local currencies (not contributed) are owned by the U.S. Government, utilize these currencies for travel and transportation as required by reference (e).

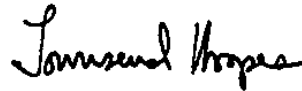
11. IMPLEMENTATION

Unified Commands and Military Departments must furnish three copies of their implementing instructions to the Assistant Secretary of Defense (International Security Affairs) and three copies to the Assistant Secretary of Defense (Comptroller) within sixty days after the effective date of this Instruction. Furnish subsequent modifications to the implementing instructions to the same Assistant Secretaries of Defense within thirty days after issuance.

12. EFFECTIVE DATE

This Instruction is effective immediately.


Assistant Secretary of Defense
(Comptroller)


Acting Assistant Secretary of Defense
(International Security Affairs)

Enclosures - 1

E1. Definitions

E1. ENCLOSURE 1

DEFINITIONS

For purposes of this Instruction, the following definitions apply:

E1.1.1. Contributed Currencies. Currencies made available to the United States by foreign governments, pursuant to military assistance bilateral agreements, for administrative and operating expenses of the Military Assistance Program.

E1.1.2. Assistance in-Kind. Support in the form of goods and services provided by the foreign government without cost to the United States. It may include, but is not limited to, buildings and facilities occupied by MAAGs, utilities, communications, supplies and equipment, travel, transportation of things, and services of foreign national employees.

E1.1.3. Military Assistance Advisory Group (MAAG). The U.S. Military Agency in a foreign country responsible for administration of the Military Assistance Program. Normally, this is a military assistance advisory group; sometimes it may be a mission, a joint United States military advisory group, or a military attache.

E1.1.4. Joint United States Military Advisory Group (JUSMAG). The designation of a United States military group as a MAAG (Military Assistance Advisory Group) as compared with JUSMAG (Joint U.S. Military Advisory Group) has no organizational significance. Prior to the Mutual Defense Assistance Act of 1949, U.S. military aid organizations were designated as joint groups to signify U.S. tri-service (Army-Navy-Air Force) responsibilities. The titles of the joint groups have not been changed since the MDA Act of 1949 was passed.